

Message Text

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PAGE 01 BAGHDA 00040 230713Z

17

ACTION EB-07

INFO OCT-01 EUR-12 NEA-09 ISO-00 AEC-05 AID-05 CEA-01

CIAE-00 CIEP-01 COME-00 DODE-00 FPC-01 H-01 INR-07

INT-05 L-02 NSAE-00 NSC-05 OMB-01 PM-03 RSC-01 SAM-01

OES-03 SP-02 SS-15 STR-01 TRSE-00 FRB-03 FEA-01 /093 W

----- 004681

R 151530Z JAN 75

FM USINT BAGHDAD

TO SECSTATE WASHDC 1542

INFO AMEMBASSY ABU DHABI

AMEMBASSY BEIRUT

AMEMBASSY DOHA

AMEMBASSY JIDDA

AMEMBASSY KUWAIT

AMEMBASSY LONDON

AMEMBASSY PARIS

AMEMBASSY TEHRAN

AMEMBASSY THE HAGUE

C O N F I D E N T I A L BAGHDAD 0040

E.O. GDS

TAGS: ENRG, IZ

SUBJECT: BPC NEGOTIATIONS

REF: BAGHDAD 0029

1. IPC GENERAL MANAGER STOCKWELL FILLED ME IN ON STATUD
OF NEGOTIATIONS ON JANUARY 12. HE SAID BPC HOPED TO GIVE GOI
LETTER MENTIONING AMOUNT OWED BY BPC FOR 1973 AND
1974, USING 75-25 PARTICIPATION FOR 1973 AND 60-40
FOR 1974. IT WOULD NOT BE MENTIONED IN LETTER, BUT AMOUNT
GOI OWED TO BPC WOULD BE DEDUCTED. LETTER WOULD BE TENATIVE
ACCORD AND ISSUES COULD BE REOPENED AT TIME OF FINAL SETTLE-
MENT. STOCKWELL DID NOT MENTION SPECIFIC FIGURES, BUT I
ASSUME THEY ARE CLOSE TO THOSE IN REFTEL.

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2. COMPENSATION FOR EXXON AND MOBIL NOT FORMALLY DISCUSSED
BUT UNDERSTOOD BY BOTH SIDES THAT IT INCLUDED IN BPC FIGURE
AND BASED ON KUWAIT FORMULA.

3. 60-40 PARTICIPATION RETROACTIVE TO JANUARY 1, 1974
TO BE APPLIED TO REMAINING 57 PERCENT OWNED BY BLC, THUS
GIVING GOI 77 PERCENT OWNERSHIP. GOI MAY AGREE TO PAY ITS
FULL SHARE OF BYPCS CAPITAL EXPENDITURES FOR EXPANSION
PROGRAM RETROACTIVE TO DATE OF OWNERSHIP. DESPITE FACT LETTER
WOULD GIVE IRAQ MAJORITY OWNERSHIP OF BPC THERE WAS NO DIS-
CUSSION OF MANAGEMENT CONTROL.

4. BPC AGREED TO RETURN WITHIN 6 MONTHS TO DISCUSS FUTURE
OPERATIONS, IT UNDERSTOOD THAT IT NECESSARY TO AWAIT OUTCOME
OF SAUDI-ARAM CO NEGOTIATIONS. THIS DATE SUITS GOI WELL
SINCE BY THAT TIME WPC EXPANSION PROGRAM WILL BE ALMOST COMPLETED.
BPC TO HAVE RIGHT TO LIFT 57 PERCENT OF PRODUCTION
DURING FIRST HALF 1975 AND PROMISE THAT IT WILL CONTINUE TO
HAVE RIGHT TO LIFT CERTAIN QUANTITY IN FUTURE.

5. I JUST LEARNED THAT LAST MINUTE SNAG DEVELOPED AND STOCKWELL
DEPARTED JANUARY 14 WITHOUT HAVING SENT LETTER.

LOWRIE

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Message Attributes

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Disposition History: n/a
Disposition Reason:
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Margaret P. Grafeld
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05 JUL 2006

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